

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

September 11, 2008 • 10:00 a.m. to 12:00 p.m.
324 South State Street, 5th Floor
Salt Lake City, Utah

Members Present: Amy Rees Anderson, Bill Boyle by phone, Jack Brittain, Mike Dowse, Mary Draper, Stanley Ellington, Molonai Hola, Nikos Linardakis by phone, Richard Nelson, Jerry Oldroyd, Jim Sorenson, Gerald Sherratt, Cliff White

Members Absent: Ragula Bhaskar, Mel Lavitt

Visitors: Todd Brightwell, Jeff Edwards, Reed Taft Jacobs, Samantha Mary Julian, Janette Knight, Steve Maas, Lesley Mitchell, Brice Wallace, Justin Welch

Staff: Clark Caras, Doug Clark, Tamy Dayley, Sophia DiCaro Goodick, Amy Hamblin, Fred Lange, Bill Loos, Derek Miller, Derek Mellus, Marshall Moore, Christina Oliver, Michael Sullivan

Welcome – Approve August 2008 Minutes

MOTION: Gerald Sherratt moved to approve the minutes of the August 14, 2008 GOED Board Meeting. Nikos Linardakis seconded the motion. Motion carried unanimously.

Motion Picture Advisory Committee

MPIF – God Save London

Project Request:

- Category: Independent (Feature) Film
- Genre: Comedy
- Producer: Kirby Heyborne
- Director: Eric Nelson

Jobs and Revenue:

- Estimated Utah Crew Members: 54
- Estimated Utah Crew Average Salary: \$250/day
- Estimated Utah Cast Members: 21
- Estimated Utah Cast Average Salary: \$466/day
- Length of Utah Film Production: 18 Utah production days
- Estimated Utah Spend: \$802,147

Readiness:

- Financing: JCN Inc.
- Distribution: Film Festival Circuit
- Project Schedule:
- Production: September 2008, 8-9 weeks

Motion Picture Advisory Committee Recommendation:

- Approved by the Motion Picture Advisory Committee (MPAC) on 9/10/2008

Marshall Moore, Director of the Utah Film Commission, discussed the current state of the film industry. The Utah film industry has experienced a slow down in productions recently. Many productions have pushed their schedules until next spring due to the possible strike. Mr. Moore gave a brief overview of God Save London. Dr. Nikos Linardakis explained what happened at the Motion Picture Advisory Committee. There was discussion on the Utah spend.

MOTION: Gerald Sherratt move to approve GSLMovie, LLC., for the film God Save London, a MPIF rebate not to exceed 15% of the total dollars left in the state. The total dollar amount for the rebate shall not exceed \$100,000. Cliff White seconded the motion. Motion carried unanimously.

Incentives Committee

Quality Bicycle Products

Project Highlights

- Quality Bicycle Products is a leading international wholesaler of bicycle parts and accessories as well as snow sports parts and accessories

- Establish a LEED standard expandable distribution facility with a regional customer service center as well as the world headquarters for one, and possibly two, of their brands
- Target Industry: Outdoor Products and Recreation//Brand Corporate Headquarters
- Proposed Location: Weber County
- Capital Investment over \$5,000,000

Jobs and Revenue

- 70+ New Full-time Positions created over 10 years
- Average Project Salary in excess of 125% Weber County average wage
- Over \$33,000,000 New State Wages over 10 years
- New State Revenue over \$10,000,000 in that same period

Local Incentives

- Ogden City's proposed incentive was approved by the GOED Incentives Committee on 9/4/2008.

MOTION: Jerry Oldroyd moved to approve for Quality Bicycle Products a \$2,172,232 maximum refundable tax credit based on 20% of new state revenue over 10 years. Richard Nelson seconded the motion. Mike Dowse abstained. Motion carried.

- Total incentive not to exceed \$2,172,232 EDTIF tax credit.
- Annual incentive amount based on 20% of new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 20% of new incremental state tax revenues over 10 years, with contractual recapture provision for any excess funds paid to the company
- Annual total project average salary of new employees to be at least 125% of Weber County average wage
- Must commit to keep operation in Utah for at least 10 years
- Commitment by local government to provide local incentive
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above

S Group –SAI & S3

Project Highlights

- Relocate S Group, made up of SAI and S3, Corporate Headquarters to the State of Utah
- Target Industry: Corporate Headquarters and Information Technology
- Proposed Location(s): Salt Lake County, Davis County
- Capital Investment: Upgrade an existing facility

Jobs and Revenue

- 120+ New Full-time Positions created over 10 years plus 19 retained S3 employees
- Average Project Salary with benefits in excess of 125% Salt Lake and Davis County average wage
- Over \$63,000,000 New State Wages over 10 years
- New State Revenue over \$7,000,000 in that same period

Local Incentives

- Salt Lake City, West Valley City and North Salt Lake proposed incentives have been reviewed by the GOED Incentives Committee on 9/4/2008.

There was brief discussion on what the company does and the separation between SAI and S3. It was clarified that the incentive would be for the new SAI jobs. There was also discussion about the average wage percentage requirement.

MOTION: Jerry Oldroyd moved to approve for S Group a \$1,782,701 EDTIF maximum refundable tax credit based on 25% of new state revenue over 10 years to relocate SAI to the State of Utah. Gerald Sherratt seconded the motion. Motion carried unanimously.

- Total incentive not to exceed \$1,782,701 EDTIF tax credit.
- Annual incentive amount based on 25% of new incremental state tax revenues generated and receipted in the previous calendar year.
- Total incentive not to exceed 25% of new incremental state tax revenues over 10 years, with contractual recapture provision for any excess funds paid to the company.
- Annual total project average salary of new employees to be at least 125% of County average wage.
- Must commit to keep operation in Utah for at least 10 years.
- Local Incentive must be approved upon finalization with City by the GOED Incentives Committee.
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above.

Top Ten Reviews

Project Highlights

- Top Ten Reviews is a local web based product review and education company looking to retain and expand its business in the State of Utah
- Target Industry: Corporate Headquarters and Information Technology
- Proposed Location: Ogden City, Weber County
- Facility: Cosmetically refurbishing an existing downtown building and also outfitting the facility with cutting edge voice and data equipment including CAT 5 and a 10 MG Communications Pipeline

Jobs and Revenue

- 160+ New Full-time Positions created over 7.5 years
- 62 Retained Full-time Positions
- Average Project Salary for New Positions Created in excess of 125% Weber County Average
- Over \$45,000,000 New State Wages over 7.5 years
- New State Revenue over \$3,500,000 in that same period

Local Incentives

- Ogden City's proposed incentive was reviewed by the GOED Incentives Committee on 9/4/2008.

The company is working closely with Weber State University to implement a program to train programmers in this area of expertise. The company is looking at moving into the downtown Ogden area. There was question as to whether they would really move out of Utah. It was explained that they have a good, long history with the state and also just received venture capital funding.

MOTION: Jerry Oldroyd moved to approve for Top Ten Reviews a \$741,841 EDTIF Tax Credit based on 20% of new state revenue derived from 165 employment positions being created over 7.5 years. Stanley Ellington seconded the motion. Motion carried unanimously.

- Total Incentive not to exceed \$741,841 EDTIF Tax Credit based on 20% of new state revenue derived from 165 employment positions being created over 7.5 years.
- Incentive approved for new portion of project only
- Annual incentive amount based on 20% of new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 20% of new incremental state tax revenues over 7.5 years, with contractual recapture provision for any excess funds paid to the company
- Annual total project average salary of new employees to be at least 125% of Weber County average wage
- Must commit to keep operation in Utah for at least 7.5 years
- Local Incentive must be approved upon finalization with City by the GOED Incentives Committee
- Project location must be in downtown Ogden City, Weber County
- Incentives provided post-performance upon review and verification of receipted state taxes and performance requirements as outlined above

GOED Report

Jason Perry, Executive Director of GOED, introduced Sophia DiCaro Goodick who will be GOED's Finance Manager. Board Member, Amy Rees Anderson, and MediConnect, was listed as one of the Fast 50 companies in Utah by Utah Business Magazine. Beverly Sorenson, Board Member James Sorenson's mother, received the Medal for Support of the Arts from the National Governor's Association.

Pennants of the new Welcome to Utah signs were handed out to the board members. The new 2009 State of Utah calendars were handed out to each board member. GOED's new website should be up around November. The survey for the Governor's 10 Pt. Economic Development Plan has been completed with over 2,000 responses received. There will be significant changes and a new 10 Pt. Plan is being put together with the Governor based on the feedback from that survey. The Milken Institute ranked Provo/Orem #1, Salt Lake City #3, Ogden #18 for Best Performing Cities in Technology. There was discussion on how the state is promoting these rankings. GOED is currently involved in a trade mission to Asia, there are about 15 Utah companies that are participating.

Jeff Edwards, CEO of EDCUtah, gave a report on their annual results and an update on projects. Dianne Nielson, State Energy Advisor, presented on the state's energy policy and initiatives.

Meeting adjourned.